

California Gambling Control Commission
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MINUTES OF APRIL 6, 2006
COMMISSION MEETING

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Shelton called the meeting to order at 1:32 p.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Shelton and Commissioners Cruz and Vuksich present.

3. Approval of Minutes of February 9, 2006 Commission Meeting.

Commissioner Cruz moved to approve the March 9, 2006 meeting minutes and Commissioner Vuksich seconded the motion with amendments to page 7 to correct the spelling of the word *assessment*, and page 10 to remove the reference to Commissioner Sasaki. The motion made by Commissioner Cruz and seconded by Commissioner Vuksich to approve the minutes with amendments unanimously carried in a vote by roll-call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes.

DECISION ITEMS

Deputy Director Ciau indicated that staff requests to table agenda items 8.A, 8.C, Jauregui James, 8.F., and 11.

4. Applications for Work Permit (Pursuant to Business and Professions Code Section 19870):

A. Empire Sportsman's Association – Chhou, Darith

Deputy Director Ciau indicated that staff concurs with the Division of Gambling Control's recommendation for approval of the application for a work permit for Darith Chhou, Item 4.A. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission approved the application for a work permit for Darith Chhou.

B. The 101 Casino – Manangquil, Romeo

Deputy Director Ciau indicated that staff concurs with the Division of Gambling Control's recommendation for approval of the application for a work permit for Romeo Manangquil, Item 4.B. Upon motion of Commissioner Vuksich, seconded by Chairman Shelton and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission approved the application for a work permit for Romeo Manangquil.

5. Requests for Transfer of Shares (Pursuant to Business and Professions Code Section 19904):

Old Cayucos Tavern, Inc.

Staff Counsel Hoganson indicated that staff recommends approval of the transfer of shares from Virginia Moreno and Richard C. and Margaret H. Hobbs to Andrea Pulaski. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll-call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes the Commission approved the request for transfers of shares for the Old Cayucos Tavern, Inc., Item 5.

6. Applications for Renewal of State Gambling License (Pursuant to Business and Professions Code Section 19870):

A. Bicycle Casino: LCP Associates, a Limited Partnership

Deputy Director Ciau indicated that staff recommends that the Commission extend the state gambling license through July 31, 2006, for Bicycle Casino, Item 6.A. Commissioner Cruz moved to adopt the staff recommendation and Commissioner Vuksich seconded the motion.

Joy Harn, Attorney representing Bicycle Casino, inquired about the license period being extended and asked if there was a problem with the renewal application.

Staff indicated to Ms. Harns that the reason for the license being extended was due to a workload issue.

The motion made by Commissioner Cruz and seconded by Commissioner Vuksich to adopt the staff recommendation to extend the license to July 31, 2006 for Bicycle Casino unanimously carried in a vote by roll-call with Chairman Shelton and commissioners Cruz and Vuksich voting yes.

B. River Cardroom: River Cardroom, Inc., a California Corporation

Deputy Director Ciau indicated that staff recommends that the Commission extend the state gambling license through July 31, 2006, for River Cardroom, Item 6.B. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll-call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission approved an extension of the state gambling license through July 31, 2006 for River Cardroom.

7. Request for Temporary State Gambling License (Pursuant To Business And Professions Code Section 19824 (f)):

Celebrity Casinos, Inc. (Crystal Park Casino)

Senior Legal Counsel Bolz indicated that Celebrity Casinos, Inc. requests that the Commission issue them a temporary state gambling license so they can take over Crystal Park Casino on the close of escrow, while the Division's investigation on the regular application for the state gambling license is ongoing. Senior Legal Counsel Bolz further indicated that staff concurs with the Division of Gambling Control's recommendation to approve the request for a temporary license with the following conditions:

1. *This temporary initial license is effective beginning on the date that escrow closes and expires six months from that date.*
2. *Issuance of a temporary license does not obligate the Commission to grant a permanent license. Issuance of a temporary license does not create a vested right in the holder to either extension of the temporary license or to a regular license.*
3. *Issuance of this temporary license does not in any way change the legal requirement that the applicant bears the burden of establishing that s/he is suitable pursuant to Section 19856(a) for a regular license.*
4. *Issuance of this temporary license does not changes the license qualification requirements of the Gambling Control Act, including but not limited to Sections 19856, 19857, 19858, and 19859.*

5. *The applicant has pending an application for a regular state gambling license. A regular license may or may not be issued, depending upon the results of the complete background investigation and upon the conduct of the applicant and its employees during the term of the temporary license.*
6. *If, during the term of the temporary license, the Executive Director determines that any particular applicant is disqualified for any of the reasons set forth in Business and Professions Code section 19859, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting. Either in writing not less than five days prior to the meeting or at the meeting itself, the applicant may request an evidentiary hearing.*
7. *If, during the term of the temporary license, the Executive Director determines that any particular applicant may have violated one or more of the conditions under which the temporary license was issued, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting. Either in writing not less than five days prior to the meeting or at the meeting itself, the applicant may request an evidentiary hearing.*
8. *All applications for those individuals desiring to work for Celebrity Casinos Inc. as key employees shall be submitted within 30 days of (a) the date of issuance of the temporary license or (b) the date the employee begins work as a key employee, whichever is sooner. (Business and Professions Code sec. 19883.)*
9. *Celebrities Casinos Inc. shall report to the Commission within 10 days the name of any person who furnishes any services or any property to the gambling enterprise under any arrangement whereby that person receives payments based on earnings, profits, or receipts from controlled gambling.*
10. *The Commission is relying on the applicant's agreement and acknowledgement that the applicant shall make no argument challenging the validity of the foregoing conditions in any future proceedings concerning this temporary license.*

Chairman Shelton indicated that prior to a motion he was opening the meeting for discussion.

Commissioner Cruz indicated that he wanted to add the two following additional conditions to the temporary license:

- A. Celebrities Casinos Inc. shall report to the commission within 10 days the name of any person who furnishes any services or any property to the gambling enterprise under any arrangement whereby that person receives payments based on earnings, profits or receipts from controlled gambling.*
- B. The Commission is relying on the applicant's agreement and acknowledgement that the applicant shall make no argument challenging the validity of the foregoing conditions in any future proceedings concerning the temporary license.*

Mark Kelegian, Celebrity Casinos, Inc., indicated that he had reviewed the eight conditions presented by staff and has heard the two conditions just read by Commissioner Cruz and on behalf of Celebrity Casinos, Inc. he finds the conditions acceptable.

Commissioner Cruz indicated his concerns that for a three-month period the previous year the Division of Gambling Control found Mr. Kelegian unsuitable to hold a state gambling license because he also held a gambling license and was part owner of a gambling establishment in the State of Washington where house banking was permitted.

Mr. Kelegian indicated that the Division was kept apprised during the whole process of when the application for a gambling license was submitted in the State of Washington. Mr. Kelegian further indicated that they advised the Division that, as a result of being licensed in Washington, the Division reached a decision that they were no longer suitable to hold a gambling license in California they would then divest their interest in Washington.

Commissioner Vuksich inquired about the gambling establishment's proximity to that of a future residential retail center being planned by the City of Compton.

Mr. Kelegian explained that the location of the gambling establishment was on a separate track of land than that planned for retail center.

Chairman Shelton mentioned that he had several questions regarding the license application but that he was going to wait for the Division to complete their background investigation and provide answers to his concerns. Chairman Shelton then moved to adopt the staff recommendation to approve a temporary six-month state gambling license with the eight conditions recommended by staff and also the two conditions requested by Commissioner Cruz. Commissioner Cruz seconded the motion, which unanimously carried with Chairman Shelton and Commissioners Cruz and Vuksich voting yes.

8. Applications for Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, Section 6.4.4):

- A. Barona Group of Captain Grande Band of Mission Indians of the Barona Reservation- Barona Valley Ranch Resort and Casino: Martinez, Jose
- B. Cabazon Band of Mission Indians – Fantasy Springs Resort Casino: Martin, Gregory Varela, Raul
- C. Chemehuevi Indian Tribe of the Chemehuevi Reservation – Havasu Landing Resort Casino: Jacques, Manuel
- D. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center: Walker, Timothy
- E. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Gaming Center: Hayes, Nancy Ortiz, Anthony
- F. Picayune Rancheria of Chukchansi Indians of California – Chukchansi Gold Resort and Casino: Jauregui, James Tang, Somchai
- G. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino: Saephan, Mike
- H. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino: Hill, Gilbert

The Commission tabled Items 8.A, 8.C. and James Jauregui, Item 8.F. at the request of staff.

Deputy Director Ciau indicated that staff concurs with the Division of Gambling Control's recommendation to approve the Tribal-State Compact Key Employee Finding of Suitability for Martin Gregory and Raul Varela, Item 8.B., Timothy Walker, Item 8.D., Nancy Hayes and Anthony Ortiz, Item 8.E., Somchai Tang, Item 8.F., Mike Saephan, Item 8.G., and Gilbert Hill, Item 8.H. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll-call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes the Commission adopted the staff recommendation.

9. Applications for Tribal-State Compact Key Employee Finding of Suitability – Request For Withdrawal:

- A. Alturas Indian Rancheria – The Desert Rose Casino: Jones, Arlene
- B. Berry Creek Rancheria of Maidu Indians of California – Gold Country Casino:
Bushman, Terry
- C. Cher-Ae-Heights Indian Community of the Trinidad Rancheria – Cher-Ae-Heights Casino:
Sydathong, Sengmany

- Deputy Director Ciau indicated that staff concurs with the Division of Gambling Control's recommendation to approve, with prejudice, the requests for withdrawal of the applications for Tribal-State Compact Key Employee Finding of Suitability for Arlene Jones, Item 9.A., Terry Bushman, Item 9.B., Sengmany Sydathong, Item 9.C., Gabriel Ray and Alfredo Vedola, Item 9.D., Gregory Rullhausen, Item 9.E., Bobby Murray, Item 9.F., Asang Vong, Item 9.G., Kathleen Butterfly, Item 9.H., and Guy Bradley, Item 9.I. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll-call the Commission adopted the staff recommendation.

Staff Counsel Heather Hoganson presented staff's recommendation that the Commission adopt the proposed regulation concerning Additional Temporary Tables (Title 4 California Code of Regulations section 12358). Counsel Hoganson noted that the only comment received during the formal APA notice and comment period was from the Division of Gambling Control, in support of the regulation.

A motion made by Chairman Shelton and seconded by Commissioner Vuksich to adopt proposed regulation Section 12358 concerning Additional Temporary Tables for filing with the Office of Administrative Law unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz and Vuksich voting yes. A copy of regulation Section 12358 concerning Additional Temporary Table is incorporated into the minutes as Attachment A.

11. Staff Report on Canceled Gaming Device Licenses per Compact Section 4.3.2.2(e).

The Commission tabled Item 11, at the request of staff.

CONSENT CALENDAR ITEMS:

12. Applications for Renewal Work Permit: (Authority Pursuant to Business and Professions Code Section 19870):

- A. Brooks Oceana Cardroom: Tarby, James
- B. Central Coast Casino (Grover Beach): Oxsen, Emily
- C. Empire Sportsmen's Association: Mangiapane, Andrea
- D. Gold Sombrero Cardroom: Xiong, Maypia
- E. Poker Flats Casino: Glenndell Sutter
- F. River Cardroom: Marshall, Leonard, Sindona, Aloma
- G. The 101 Casino: Castalano, James, Chavez, Eric, Oba Leah

13. Applications for Tribal-State Compact Key Employee Finding of Suitability: Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4)

- A. Bear River Band of the Rohnerville Rancheria

Catalano, Carl	Strong, Susan
Patterson, Sarah	Wheeler, Paul
Smith, Jason	
- B. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center: Anway, Brendyn
- C. Middletown Rancheria of Pomo Indians of California – Twin Pine Casino: Jensen, Gerald
- D. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo: Patel, Aruna
- E. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala Casino

Collier, David	Udwin, Ram
Graves, Shelley	
- F. Paskenta Band of Nomlaki Indians of California – Rolling Hills Casino: Millert, Shelley
- H. Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation – Casino Pauma: Gonzales, Lorena
- I. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Gaming Center: Cadieux, Kenneth
- J. Picayune Rancheria of Chukchansi Indians of California – Chukchansi Gold Resort and Casino: Salo, Steven
- K. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah's Rincon Casino and Resort:

Keers, Peggy	Smith, Michael
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- L. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort:
Pescasio, Bon
- M. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:
Evans, Timothy
- N. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino Resort:
Pagoto, Salvatore Schaub, Jonathan
- O. Soboba Band of Luiseno Mission Indians of the Soboba Reservation – Soboba Casino
Crisler, Brenda
- P. Table Mountain Rancheria of California – Table Mountain Casino:
Olaes, Pickkham Valladares, Hector
Va, Nang
- Q. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California – Black Oak Casino:
McClanahan, William Warzee, Steve
- R. Twenty-Nine Palms Band of Mission Indians of California – Spotlight 29 Casino:
Lopez, Damian
- S. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino: Bushman, David
- T. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino:
Jackson, Joseph Svien, Stephen
14. Applications for Tribal-State Compact Key Employee Finding of Suitability - Renewals:
- A. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino:
Cibotti, Johanna Silverman, Sunday
Coyne, Carla Thomas, Sharylynne
O’Sullivan, Nichole Weston, Kimberly
- B. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation – Augustine Casino:
Amabeli, Cabrera Ramirez, Marisol
- C. Dry Creek Rancheria of Pomo Indians of California – River Rock Casino:
Bankey, Roy Carnahan, William
- D. Elk Valley Rancheria – Elk Valley Casino: Buckskin, Mandie
- E. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center:
Abellera, Conrado Curley, James
Albin, Rebecca Drummond, Shirley
Berry, Helen Mettler, Sheryl

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| Bresciani, Pete | Parks, Carol |
| Cates, Connie | Wong, James |
| Collins, Debra | Woolsey, Dale |
| Combs, Jason | Yettner, Lawrence |
- F. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo: Cao, Howard
- G. Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation – Casino Pauma:
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| Darder, Richard | Lopez, Martha |
| Jones, Kimberly | Maraggos, William |
| Keane, Lonnie | |
- H. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Gaming Center:
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| Clark, Sandra | Redding, Daniel |
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- I. Redding Rancheria – Win-River Casino: Carelli, Fred
- J. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah's Rincon Casino and Resort:
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| Anderson, Victoria | Fernandes, Eugene |
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- K. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort:
- Wilson, Charles
- L. San Manuel Band of Serrano Mission Indians of the San Manuel Reservation – San Manuel Indian Bingo & Casino:
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| Palhegyi, Louis | Ross, Murdock |
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- M. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:
- Boston, Shantell
- N. Twenty-Nine Palms Band of Mission Indians of California – Spotlight 29 Casino:
- Santillan, Christina
- O. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino:
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| Ansley, Michelle | Nguyen, Houa |
| Buckley, Sabrina | Peer, Ann |
| Cerri, Sheryl | Rahill, Mark |
| Chong, Eric | Rhinehart, Patrick |
| Hobson, Donald | Rhodes, Daniel |
| Hollman, Michael | Saechao, Mey |
| Lee, Douglas | Saepanh, Kao |
| Martz, Daniel | Xiong, Karol |
- P. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino:
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| Cicero, Jeff | Esselman, Louise |
| Dickerson, Gerald | Sylvester, Lori |

Deputy Director Ciau presented the Consent Calendar to the Commission for its consideration of the applications for work permit renewals, Tribal-State Compact Key Employee Findings of Suitability and renewal of Tribal-State Compact Key Employee Findings of Suitability. Upon motion of Commissioner Vuksich, seconded by Commissioner Cruz and unanimously carried in a vote by roll-call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes the Commission approved the Consent Calendar.

PUBLIC COMMENT:

There were no comments from the public during this portion of the meeting.

CLOSED SESSION:

Chairman Shelton announced that the Commission would not adjourn to Closed Session since there were no new matters under Government Code section 11126(e) that required discussions.

ADJOURNMENT

Upon motion to adjourn the meeting by Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a roll-call vote, with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the meeting adjourned at 2:06 p.m.